

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 7
:
BEAUTIFUL BROWS LLC, : CASE NO. 18-66766-JWC
:
Debtor. :
:

**FIRST AND FINAL APPLICATION FOR ALLOWANCE OF
COMPENSATION OF HAYS FINANCIAL CONSULTING, LLC, AS ACCOUNTANTS
TO THE CHAPTER 7 TRUSTEE**

COMES NOW Hays Financial Consulting, LLC (“**HFC**” or “**Applicant**”), accountants to S. Gregory Hays, Chapter 7 Trustee (“**Trustee**”) for the above-styled case, and, pursuant to 11 U.S.C. § 330 and Bankruptcy Rule 2016, files this first and final application (“**Application**”) seeking final allowance of compensation in the amount of \$5,682.50 and reimbursement of expenses in the amount of \$30.15 for the period from August 30, 2019 through and including April 24, 2020 (the “**Application Period**”). In support hereof, Applicant shows as follows:

1.

On October 3, 2018 (the “**Petition Date**”), Beautiful Brows, LLC (“**Debtor**”) filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended, modified, or supplemented, the “**Bankruptcy Code**”) in the United States Bankruptcy Court for the Northern District of Georgia, Atlanta Division, initiating Chapter 11 Case No. 18-66766-jwc.

2.

On November 21, 2018, the United States Trustee filed a Notice of Appointment of Chapter 11 Trustee and Setting of Bond [Doc. No. 46] pursuant to which S. Gregory Hays was appointed as the Chapter 11 Trustee for the bankruptcy estate of the Debtor. After the United

States Trustee filed an Application for Approval of Selection of Appointment of Chapter 11 Trustee [Doc. No. 47] on November 21, 2018, the Court entered an Order Approving Appointment of Chapter 11 Trustee [Doc. No. 49] on November 26, 2018, confirming the appointment of S. Gregory Hays as the Chapter 11 trustee in the Case.

3.

On December 3, 2018, Trustee filed *Application for Approval of Employment of Hays Financial Consulting, LLC as Accountants for the Trustee* [Doc. No. 57] seeking an order from the Court authorizing him to retain Applicant as his accountants in the Chapter 11 case, and, on December 4, 2018, the Court entered its Order [Doc. No. 58] approving the retention of Applicant and the employment of Applicant as accountant for Trustee.

4.

On September 3, 2019, the Court converted the Case to a proceeding under Chapter 7 effective August 30, 2019 [Doc. No. 170] and directed the United States Trustee to appoint a trustee in the Chapter 7 Case.

5.

On September 17, 2019 Trustee filed an Application to Employ Hays Financial Consulting, LLC as Accountants to the Chapter 7 Trustee [Doc. No. 180], which was approved by an Order entered on October 1, 2019 [Doc. No. 186].

6.

Pursuant to this Application, Applicant seeks final approval, allowance, and payment pursuant to §§ 330 and 331 of the Bankruptcy Code of compensation for services rendered as accountants for the Trustee incurred in connection therewith during the Application Period.

7.

For the period covered by this application, HFC devoted a total of not less than 29.6 hours in rendering services as accountants to the Trustee. Applicant has not previously been allowed or paid any compensation for the period covered by this application. Summaries of hours spent by subject area and by professional are attached as Exhibit "A".

8.

The Services of the Applicant during the Application Period are summarized by category below.

(a) **Accounting.** This category includes efforts of the Applicant review and reconciling the Chapter 11 transactions and preparing monthly operating reports for same, preparing a rule 1019 report and winding down the bank activity of the Chapter 11 debtor.

(b) **Fee / Employment Applications & Objection.** This category includes the Applicants efforts to prepare its final fee application in the Chapter 11 case and the preparation of this first and final fee application for the Chapter 7 case.

(c) **Tax Issues.** This category includes activity by the Applicant including review of transactions for any open tax matters and the preparation of the 2019 forms 1099.

9.

Applicant shows that all services were necessary to assist the Trustee in the proper and effective administration of the Debtor's estate and the exercise of the powers of the Trustee. Applicant shows that the fair and reasonable value of such services, and the costs of comparable services in a case not proceeding under the Bankruptcy Code, is not less than \$5,682.50 based

primarily on the normal hourly rates of providing such services and calculated using the “lodestar” calculation of reasonable hourly rates multiplied by the number of hours actually expended, as summarized on Exhibit “A”. The time expended and services performed by HFC are duly itemized and set forth in Exhibit "B" attached hereto and by reference incorporated herein and made part of this Application.

10.

Applicant shows that all services for which compensation during this Application Period is requested have been actually provided to the Debtors and/or the Trustee, and to no other parties, and have been necessary for the proper and effective administration of this case and for the benefit of the Debtor’s estate and its creditors.

11.

Applicant’s employees have substantial experience and expertise in providing financial and accounting services in bankruptcy cases and to fiduciaries in such cases. Applicant’s employee hourly rates are fair and reasonable and the same as the cost for such services other than in a bankruptcy case.

12.

The compensation requested is allowable pursuant to the twelve factor test (the “Johnson Factors”) set forth in Johnson v. Georgia Highway Express, Inc., 488 F.2d 714, 717-19 (5th Cir. 1974), as modified and made applicable to bankruptcy cases by the Eleventh Circuit Court of Appeals in Grant v. George Schumann Tire & Battery Co., 908 F.2d 874 (11th Cir. 1990). The Johnson Factors and their applicability in these cases are as follows:

- (a) Time and Labor Required: HFC expended 29.6 hours in performing services as accountants to the Trustee during the Application Period. The billing rates of

the various professionals and other personnel who have performed services for the Committee are detailed in HFC's billing statements, which are attached hereto as Exhibit "A".

(b) Novelty and Difficulty of Questions Presented: The work performed by HFC has involved issues of varying complexity, as set forth in substantial detail in the billing statements attached to this Application.

(c) Skill Requisite to Perform Professional Services: The Trustee selected HFC as its accountants because HFC's professionals possess substantial expertise and experience in bankruptcy and related fields and are well-qualified to perform professional services.

(d) Preclusion of Other Employment Due to Acceptance of the Cases: Professionals of HFC have devoted time and resources to these cases, to the possible preclusion of involvement in other matters.

(e) Customary Fees for the Type of Services Rendered: HFC believes that the fees requested and the hourly rates set forth herein are consistent fees typically charged for the type of services rendered in cases of this magnitude and complexity. The hourly rates charged by HFC in this Application are comparable to the rates that HFC would charge to a non-bankruptcy client for work of a similar nature and complexity.

(f) Whether the Fee is Fixed or Contingent: Pursuant to section 330(a) of the Bankruptcy Code, HFC's fee is subject to Court approval, and is primarily based upon hourly rates and does not involve any fixed or flat fees. Compensation is "contingent" only in the sense that there are risks of non-allowance or non-payment.

(g) Time Limitations Imposed by the Client or Other Circumstances: Certain tax filing deadlines have been applicable herein.

(h) The Amount Involved and Results Obtained: HFC shows that the Trustee, with the assistance of all professionals involved, has achieved a successful result in this case.

(i) The Experience, Reputation, and Ability of the Professional: HFC has extensive experience in bankruptcy matters. Its reputation and ability are well known to the Court.

(j) Undesirability of the Case: This factor is inapplicable to the present Chapter 7 cases.

(k) Nature and Length of Professional Relationship with the Client: HFC was employed by the Trustee as his accountants in this bankruptcy case. Thus, the professional relationship is an ongoing one.

(l) Awards in Similar Cases: HFC is regularly awarded compensation in Chapter 7 and Chapter 11 cases on the same basis as requested herein.

13.

In connection with the provision of services as set forth herein above, Applicant has incurred expenses or will incur expenses in the closing of the case in the amount of \$30.15. Expenses are summarized on **Exhibit "A"** and itemized on **Exhibit "C"** attached hereto and incorporated herein. Applicant seeks allowance of said expenses as reasonable and necessarily incurred.

14.

No agreement or understanding exists between HFC and any other person for the sharing of compensation to be received for services rendered in connection with this case. All services for which compensation is requested were performed for the Trustee and the estate and not on behalf of any committee, creditor or any other person or persons.

15.

Based on the foregoing, Applicant seeks final allowance of \$5,682.50 as compensation for the period covered by this Application. Applicant shows that compensation in such amount is reasonable compensation based on the nature, the extent, and the value of services rendered, the time spent to provide such services, and the cost of comparable services other than in a bankruptcy case.

16.

Attached hereto as Exhibit "D" is a Declaration of S. Gregory Hays, Managing Principal of Applicant, confirming the facts set out in the Application and exhibits hereto.

WHEREFORE, Applicant respectfully prays:

- a. That Applicant be allowed final compensation in the amount of \$5,682.50 as and for the reasonable value of services rendered in connection with its retention as accountants for the Trustee for the Application Period;
- b. That Applicant be allowed the sum of \$30.15 for the reimbursement of out-of-pocket expenses incurred in this case during the Application Period;
- c. that the Court authorize payment of amounts allowed as deemed appropriate and equitable by the Court from the fund available in the bankruptcy estate; and

d. that the Court grant such other and further relief as may be just and proper.

Respectfully submitted, this 28th day of April, 2020.

/s/ S. Gregory Hays
S. Gregory Hays

Hays Financial Consulting, LLC
2964 Peachtree Rd, NW Ste. 555
Atlanta, Georgia 30305
(404) 926-0060

Exhibit A

Hays Financial Consulting, LLC

2964 Peachtree Road
Suite 555
Atlanta, GA 30305-2153

Beautiful Brows, LLC
Case # 18-66766-JWC

For the Period from 8/30/2019 to 4/24/2020

April 24, 2020

Professional Services

	<u>Hours</u>	<u>Amount</u>
Accounting	17.80	3,025.00
Fee / Employment Applications & Objection	4.30	1,290.00
Tax Issues	7.50	1,367.50
For professional services rendered	29.60	\$5,682.50

Additional Charges :

Federal Express	11.85
Postage	5.45
Tax Return Preparation	12.85
Total costs	\$30.15

Total amount of this bill	\$5,712.65
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Hays Financial Consulting, LLC

2964 Peachtree Road
Suite 555
Atlanta, GA 30305-2153

Beautiful Brows, LLC
Case # 18-66766-JWC

For the Period from 8/30/2019 to 4/24/2020

April 24, 2020

Professional Services

	<u>Hrs/Rate</u>	<u>Amount</u>
Dwaine A. Butler	10.70	1,872.50
	175.00/hr	
James R. Jennings, CPA	0.10	30.00
	300.00/hr	
Scott S. Askue	6.40	1,920.00
	300.00/hr	
Theresa Brummer	12.40	1,860.00
	150.00/hr	
For professional services rendered	29.60	\$5,682.50

Additional Charges :

Federal Express	11.85
Postage	5.45
Tax Return Preparation	12.85
Total costs	\$30.15

Total amount of this bill	\$5,712.65
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Exhibit B

Beautiful Brows, LLC
Case # 18-66766-JWC

For the Period from 8/30/2019 to 4/24/2020

April 24, 2020

Professional Services

		<u>Hrs/Rate</u>	<u>Amount</u>
<u>Accounting</u>			
8/30/2019	TB Researched US Trustee payment issues and responded to email from the Trustee. Processed payment for balance due to US Trustee.	0.40 150.00/hr	60.00
9/3/2019	TB Reviewed and responded to email from Dwaine Butler regarding vendor payments.	0.20 150.00/hr	30.00
9/4/2019	TB Reviewed the East West Bank account for recent activity; entered banking transactions as necessary and reconciled to date. Email to the Trustee regarding vendor charges. Reviewed and responded to follow up emails.	0.60 150.00/hr	90.00
9/10/2019	TB Reviewed the East West Bank account for recent activity; entered banking transactions as necessary and reconciled to date. Recorded electronic vendor payments.	0.30 150.00/hr	45.00
9/11/2019	TB Reviewed the East West Bank account for recent activity; entered banking transactions as necessary and reconciled to date. Reconciled August bank statement. Reviewed and responded to emails from the Trustee.	0.50 150.00/hr	75.00
9/12/2019	DAB Discussed accounting and payment to vendors with the Trustee.	0.20 175.00/hr	35.00
9/16/2019	DAB Reviewed several emails from the Trustee and Theresa Brummer regarding production of the month end reports. Discussed account reconciliation and verified outstanding payables.	0.40 175.00/hr	70.00
	TB Began working on August monthly operating report. Email to the Trustee regarding same.	0.50 150.00/hr	75.00
9/17/2019	TB Reviewed the East West Bank account for recent activity; entered banking transactions as necessary and reconciled to date. Email to Dwaine Butler regarding outstanding vendor check. Phone conversation with Scott Askue regarding report preparation. Prepared final monthly operating report. Emailed payroll accountant regarding outstanding check; follow up phone conversation with same.	1.10 150.00/hr	165.00

Beautiful Brows, LLC

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			<u>Hrs/Rate</u>	<u>Amount</u>
9/17/2019	DAB	Reviewed and responded to emails from Theresa Brummer regarding verification of payment of outstanding accounting invoice. Reviewed several emails from Mrs. Brummer regarding final report pre conversion. Reviewed reports.	1.00 175.00/hr	175.00
9/18/2019	DAB	Verified account balance and vendor payments. Discussed with the Trustee.	0.20 175.00/hr	35.00
9/19/2019	TB	Reviewed the East West Bank account for recent activity; entered banking transactions as necessary and reconciled to date. Email to Scott Askue regarding funds transfer from East West Bank to Rabo Bank. Prepared check to transfer funds to Rabo Bank account. Emails with the Trustee regarding bank account transactions.	0.70 150.00/hr	105.00
	DAB	Prepared payments. Drafted email to and reviewed email from Theresa Brummer regarding same. Reviewed record of transactions in preparation of conversion report.	0.70 175.00/hr	122.50
9/20/2019	TB	Reviewed the East West Bank account for recent activity. Email to the Trustee and Dwaine Butler regarding same. Reviewed and responded to emails regarding final monthly operating report.	0.30 150.00/hr	45.00
	DAB	Reviewed several emails from Theresa Brummer and Scott Askue regarding overview of East West Bank transaction activity. Reviewed report for verification of debits. Discussed issues with the Trustee regarding preparation of the monthly operating report. Reviewed email from Mrs. Brummer regarding same.	0.60 175.00/hr	105.00
9/25/2019	DAB	Reviewed email from Theresa Brummer regarding the monthly bank transaction report. Reviewed and verified transactions. Discussed with the Trustee. Prepared vendor payment for mailing.	0.50 175.00/hr	87.50
9/26/2019	DAB	Discussed issues with the Trustee regarding the final Tucker Imports sale total from the auction. Reviewed auction bid schedule for information to include in final accounting report. Drafted email to and reviewed email from the Trustee regarding same.	0.50 175.00/hr	87.50
	SSA	Prepared report of assets and disposition during the Chapter 11 case for Rule 1019 report. Prepared report of remaining case assets.	1.20 300.00/hr	360.00
9/27/2019	TB	Reviewed the East West Bank account for recent activity. Responded to email from Scott Askue regarding bank account closure. Completed review of payroll tax issues and responded to email from the Trustee.	0.50 150.00/hr	75.00
	DAB	Reviewed emails from the Trustee and Theresa Brummer regarding the IRS payment refund. Discussed receipt of refund and mail forwarding with the Trustee.	0.30 175.00/hr	52.50
10/2/2019	TB	Reviewed the East West Bank account for recent activity; recorded bank fees. Email to the Trustee regarding bank fees.	0.30 150.00/hr	45.00

Beautiful Brows, LLC

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			<u>Hrs/Rate</u>	<u>Amount</u>
10/2/2019	DAB	Discussed issues with the Trustee regarding final accounting and clearance of vendor payments.	0.20 175.00/hr	35.00
10/3/2019	TB	Reviewed the East West Bank account for recent activity; recorded fee credits. Email to the Trustee regarding same.	0.30 150.00/hr	45.00
10/9/2019	TB	Reconciled September bank statement. Prepared both accountant and trustee invoices.	0.80 150.00/hr	120.00
	DAB	Reviewed September bank statement and verified transactions. Drafted email to and reviewed email from Theresa Brummer regarding account reconciliation.	0.50 175.00/hr	87.50
10/10/2019	TB	Reviewed the East West Bank account for recent activity. Emailed information for fee application as requested. Prepared revised invoices as requested.	1.00 150.00/hr	150.00
10/11/2019	DAB	Reviewed and responded to email from the Trustee regarding accounting and estimated payment to Ameris. Discussed issues with Mr. Hays regarding same. Reviewed schedule and verified accounting.	0.50 175.00/hr	87.50
10/14/2019	TB	Reviewed email regarding August ACH fee dispute from Dwaine Butler; responded regarding September fee dispute.	0.20 150.00/hr	30.00
	DAB	Reviewed mailing from East West Bank regarding ACH payment claim. Drafted email to and reviewed email from Theresa Brummer regarding same.	0.30 175.00/hr	52.50
10/16/2019	DAB	Reviewed and responded to email from Theresa Brummer regarding the monthly bank fees and closing of the account. Discussed same with the Trustee.	0.30 175.00/hr	52.50
10/21/2019	TB	Prepared check to transfer Chapter 11 bank balance to Chapter 7 account.	0.20 150.00/hr	30.00
10/23/2019	DAB	Emails to and from Theresa Brummer regarding verification of account balance and close out.	0.20 175.00/hr	35.00
10/29/2019	TB	Reviewed the East West Bank account for recent activity; entered banking transactions and reconciled to date. Emailed Trustee regarding account closure.	0.30 150.00/hr	45.00
	DAB	Reviewed email from Theresa Brummer regarding verification of Trustee account balance and close out of account. Reviewed bank activity report.	0.40 175.00/hr	70.00
11/4/2019	DAB	Reviewed October bank statement and verified.	0.20 175.00/hr	35.00
3/18/2020	TB	Prepared partial year financial reports as requested by the Trustee. Revised ledger for Chapter 7 transactions and prepared revised reports.	1.40 150.00/hr	210.00
		Subtotal	17.80	3,025.00

Beautiful Brows, LLC

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		<u>Hrs/Rate</u>	<u>Amount</u>
<u>Fee / Employment Applications & Objection</u>			
10/11/2019	SSA Began review and editing of fee invoice.	0.60 300.00/hr	180.00
10/16/2019	SSA Drafted Chapter 11 fee application and prepared exhibits to same.	2.20 300.00/hr	660.00
4/24/2020	SSA Drafted final fee application and prepared exhibits for same.	1.50 300.00/hr	450.00
	Subtotal	4.30	1,290.00
<u>Tax Issues</u>			
9/25/2019	TB Began reviewing payroll tax issues from the Trustee's email.	0.30 150.00/hr	45.00
10/15/2019	SSA Reviewed and verified content of objection to IRS and GA DOR tax claims.	0.40 300.00/hr	120.00
10/30/2019	JRJ Reviewed year to date activity in order to assess 2019 tax filing requirements.	0.10 300.00/hr	30.00
11/1/2019	SSA Reviewed file and drafted email to Jim Jennings regarding open matters and issues to be addressed on tax returns.	0.20 300.00/hr	60.00
12/2/2019	DAB Discussed issues with the Trustee regarding correspondence with Debtor related to tax issues. Telephone call to Saleem Delawalla regarding same.	0.40 175.00/hr	70.00
12/4/2019	DAB Telephone call to Saleem Delawalla regarding request for information to produce year end tax return. Drafted email to and reviewed email from the Trustee regarding same.	0.30 175.00/hr	52.50
1/15/2020	DAB Reviewed and responded to emails from Theresa Brummer regarding production of 2019 1099 documents. Reviewed information regarding landlords and business purchaser. Drafted email to and reviewed email from Greg Hays regarding same. Telephone call from Mrs. Brummer regarding same.	1.00 175.00/hr	175.00
1/21/2020	DAB Drafted email to and reviewed email from Theresa Brummer regarding research of vendor 1099 information. Drafted email to and reviewed email from the Trustee regarding same.	0.40 175.00/hr	70.00
1/22/2020	DAB Drafted email to and reviewed email from Theresa Brummer regarding recovery of vendor information for production of 1099s. Drafted email to the Trustee regarding same.	0.30 175.00/hr	52.50
1/23/2020	DAB Prepared forms 1099 with Theresa Brummer. Drafted email to the Trustee regarding same.	0.30 175.00/hr	52.50
1/24/2020	DAB Drafted email to and reviewed emails from the Trustee and Theresa Brummer regarding recovery of the business tax identification numbers. Researched GA Secretary of State for Nikanth Salon and Guru Hari Salon business information. Forwarded to Mrs. Brummer for preparation of annual 1099s.	1.00 175.00/hr	175.00

Beautiful Brows, LLC

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		<u>Hrs/Rate</u>	<u>Amount</u>
1/24/2020	SSA	0.30	90.00
		300.00/hr	
1/31/2020	TB	2.50	375.00
		150.00/hr	
	Subtotal	7.50	1,367.50
	For professional services rendered	29.60	\$5,682.50

Exhibit C

Hays Financial Consulting, LLC

2964 Peachtree Road
Suite 555
Atlanta, GA 30305-2153

Beautiful Brows, LLC
Case # 18-66766-JWC

For the Period from 8/30/2019 to 4/24/2020

April 24, 2020

	<u>Amount</u>
<u>Expenses</u>	
8/31/2019 Postage	1.50
9/30/2019 Postage	1.00
10/31/2019 Postage	0.50
11/30/2019 Postage	1.95
12/31/2019 Postage	0.50
1/31/2020 Forms, printing and postage for 1099s	12.85
2/29/2020 FedEx for 1099's	11.85
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Subtotal	30.15
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Total costs	\$30.15

Exhibit D

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

IN RE: : CHAPTER 7
: :
BEAUTIFUL BROWS LLC, : CASE NO. 18-66766-JWC
: :
Debtor. :
:

DECLARATION

I, S. Gregory Hays, declare under penalty of perjury that:

1. I am the Managing Principal at Hays Financial Consulting, LLC (“HFC”) and have knowledge of the facts set forth herein.
2. The facts set out in the foregoing First and Final Application for Allowance of Compensation of Hays Financial Consulting, LLC as Accountants to the Chapter 7 Trustee and in the exhibits attached thereto are true and correct to the best of my knowledge, information and belief. Those facts are known to me personally and by business records of HFC, maintained in the ordinary course of business, including time and reimbursement records made by personnel at HFC.

/s/ S. Gregory Hays
S. Gregory Hays